

# NEWS RELEASE

## COUNCIL ON FOREIGN RELATIONS

**MAKING INTELLIGENCE SMARTER**

**THE FUTURE OF U.S. INTELLIGENCE**

**Report of an Independent Task Force**

"The need for intelligence and for a capability within the U.S. government to collect, produce, and disseminate it remains critical. The end of the Cold War has not ushered in an age of peace and security. Nor is the need for intelligence eliminated by new sources of open information. There are still important but hard to learn facts about targets...that can only be identified, monitored, and measured through dedicated intelligence assets."

This is a principal finding of Making Intelligence Smarter: The Future of U.S. Intelligence, the report of an independent Task Force sponsored by the Council on Foreign Relations. The Task Force was established in early 1995 with the purpose of assessing the need for intelligence in the post-Cold War world, and how the U.S. government should go about meeting that need it. It was chaired by Maurice R. Greenberg, chairman and CEO of America International Group, Inc., and directed by Richard N. Haass, the Council's Director for National Security Programs. The 25 members of the Task Force included several individuals with past experience in intelligence. It also included former senior policymakers, prominent business leaders, and academic experts.

The report notes that the intelligence community faces major challenges, including a widespread lack of confidence in its ability to carry out its mission competently and legally. It also points out, however, that the intelligence community has been adjusting to the changed demands of the post-Cold War world and, for the most part, appears to be providing useful information to its customers. "Additional reform is necessary, but should not create more problems than it solves and, in so doing, weaken a critical tool of U.S. national security."

The Task Force advises that "A large budgetary peace dividend in the intelligence area is unlikely. Although there should be opportunities for savings...modern systems for collection remain expensive. Moreover, the need to collect and assess information for a wide array of tasks is not fading...While good intelligence cannot guarantee good policy, poor intelligence frequently contributes to policy failure. The United States will have to continue to devote significant resources if it desires a significant capability.

The Task Force lists the highest priorities for U.S. intelligence collection--and, in most cases, analysis--for the foreseeable future: the status of nuclear weapons and materials in the former Soviet Union; developments in Iraq, Iran, and North Korea; potential terrorism against U.S. targets in the continental United States and overseas; unconventional weapons proliferation; and political and military developments in China. Other targets could be added to this list temporarily if, for example, U.S. forces were to be deployed in significant numbers.

The report argues that "Economic intelligence should not be used offensively to help a U.S. firm win a contract against foreign competition, but should be used defensively to alert policymakers when bribes or other unfair practices are being used against an American firm." The Task Force could not agree, however, on how aggressively the United States should collect information on its major economic partners or on how much to emphasize analysis of economic issues.

According to the Task Force, "The most important function for the clandestine services is the collection of human intelligence, i.e., espionage....In so doing, it will at times prove necessary to associate the United States with unsavory individuals, including some who have committed crimes. This is acceptable so long as the likely benefits for policy outweigh the moral and political costs of the association."

**Other major findings and recommendations include:**

--The capability to undertake covert action is an important national security tool that can provide policymakers a valuable alternative or complement to other policies, including diplomacy, sanctions, and military intervention. Building a capacity for both espionage and covert action takes time and resources; nur-

turing such a clandestine capability ought to be one of the highest priorities of the intelligence community.

--The position of the Director of Central Intelligence should be strengthened so that the DCI can wield greater influence over the various components of the intelligence community.

--Competitive or redundant analysis needs to be carried out and conveyed to policymakers in those areas where being wrong can have major consequences. The best way to ensure high-quality analysis is to increase the flow of high-quality analysts into the intelligence community from outside the government.

--The intelligence community should make maximum use of open sources, but it should not become an all-purpose source of information or think tank for either the executive branch or Congress. Individual agencies and departments should try to fulfill their own information needs by developing an in-house capability or exploiting what is available in the private sector. --The president and the DCI should consider creating an intelligence reserve corps for dealing with unanticipated crises in low-priority areas so that constrained resources can be concentrated on the most important targets.

--Intelligence sharing is an important tool that can enable others, be they friendly governments or U.N. agencies, to be more effective actors and partners. Such sharing of intelligence ought to be maintained and even expanded so long as the United States derives clear benefits and security is not compromised.

--The president needs to make reform of the intelligence community a major national security priority. A steering group ought to be established once the Aspin-Brown Commission has completed its work to coordinate reform.

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The Task Force report is the responsibility of its members. (A list of members and their institutional affiliations is attached.) The Council on Foreign Relations, established in 1921, is a non-profit, non-partisan membership organization that takes no position on issues. PLEASE DIRECT QUESTIONS OR REQUESTS FOR COPIES OF THE REPORT TO THE COUNCIL'S MANAGER OF PUBLIC AFFAIRS MICHAEL HOLTZMAN AT OR THE BROOKINGS INSTITUTION AT(1-800) 275-1447 OR (202) 797-6258.